



# Middle East Report Online

MIDDLE EAST REPORT MIDDLE EAST REPORT ONLINE NEWSPAPER OP-ED

**Background**

**Contact Info**

**Subscribe**

**Back Issues**

**Internships**

[Giving](#)

[Search](#)

## Egypt: An Emerging "Market" of Double Repression

Fareed Ezz-Edine

November 18, 1999

### BACKGROUND

Recently, Egyptians have entertained dreams of political reform only to be crushed in October by a cosmetic ministerial reshuffle. President Hosni Mubarak ordered this reshuffle following a plebiscite approving him for a fourth presidential term; a massive wave of pre-election propaganda predictably failed to alter the electorate's persistent apathy.

Egypt is moving toward second tier emerging markets: the state is gradually withdrawing from the economic sphere and curtailing social services usually provided to the growing under-class, while a thin upper class, a large part of which is engaged in compradore activities, increasingly takes control of national

### SOCIAL AND ECONOMIC INDICATORS FOR EGYPT (World Bank Statistics 1998)

1. Population --60 million
2. Population growth --1.8%
3. Life Expectancy --66 years
4. Infant mortality --51 per 1,000 live births
5. Illiteracy - male --35%
6. Illiteracy - female --60%
7. Energy use per capita --924 kWh
8. Telephone mainline --56 per 1,000 people
9. Personal computers --7.3 per 1,000 people
10. Internet hosts --33 per one million people
11. GDP --\$75.605 billion
12. GNP per capita --\$1,200
13. GDP growth --5.5% annual
14. Exports --\$15,251 million (incl. \$660 million to the U.S.)
15. Imports --18,820 \$ million (incl. \$3060 million from the U.S.)
16. Gross domestic investment --\$13,392 million
17. Foreign direct investment --\$891 million
18. Overall budget deficit --0.9%

Search



Click [here](#) for

**MERIP**

**The Fight for Democracy**

by Saeed and Ila  
New York Times  
10,

Over the weekend Iranian students' protests to demand their voices were Hashem Aghajari professor who has death for blasphemy movement is broader over one injustice  
[Full Op-Ed >](#)

**Ground State**

**Middle East**

by Ila

Los Angeles  
(December)

After a court in Iran dissident academy to death for challenge several thousand took to the street protested for about the government to down and declare emergency.  
[Full Op-Ed >](#)

**Up in the**

by Ila

Village Voice  
December

Unemployment a

Subscribe Online to

Middle East Report

[Subscribe](#)

Order a subscription and back issues to the award-winning magazine *Middle East Report*. Click [here](#) for the order page.

**Special MERIP Publications**

**Uprising in Palestine**

Check out MERIP's **Primer on the Palestine Uprising.**

**Primer on Palestine, Israel and the Arab-Israeli Conflict**  
[Click here](#)

wealth and political decision-making. This growing gap between the haves and have-nots will force the state (wary of democratization and unwilling to fight

corruption) to resort to more repressive measures. On the other hand business pressures, local and global, for greater integration in the global economy pushes the state towards more market-friendly policies, often leading to more impoverishment and social unrest.

Mubarak's repeated pleas for "change" before the presidential referendum were understood as references to impending political reforms and democratization, thus raising popular and elite expectations about a larger role for the masses, long deprived of any meaningful participation due to stringent restriction on the rights of associations and freedom of expression. Except for the military and the fledgling elite business associations, the general public lacks any channels for political participation. Egypt is not a police state yet, but it has been suffering under a stifling and closed political system for too long.

Lack of public participation means that even Mubarak, let alone observers, is unable to gauge the masses' reaction to his promised changes, which ultimately boiled down to a mere ministerial reshuffle in which all members of the influential old guard retained their positions and one even became Prime Minister. Selecting Atef Ebeid, until then Minister of Public Business Sector and an ardent supporter of a faster transition to market economy for this post is a clear sign that Mubarak intends to adopt more aggressive neo-liberal policies. The fact that the ministerial reshuffle was limited and that Mubarak and his senior aides shrugged off calls for substantive political reforms shows that the regime is not pondering any opening of the political arena, which has been heavily regulated under martial law since 1981.

## COSMETIC CHANGES

The only significant change was the firing of Minister of Trade Ahmad Al-Guwaily and the merging of his portfolio with another staunch neo-liberal, Minister of Economy Youssef Boutros Ghali. Ebeid, his coterie of free marketeers and their supporters in the business community disliked Guwaily because of his opposition to dramatic trade liberalization and the restrictions he imposed on imports last year after Egypt's trade deficit skyrocketed. Ebeid,

- |     |   |
|-----|---|
|     | of GDP                                    |
| 19. | Present value of debt -- \$21,256 million |
| 20. | Total debt service --\$1,928 million      |
| 21. | Aid per capita --\$32                     |

skyrocketing in Is  
paranoia are als  
business is boor  
and security com  
society is becomi  
hosts of wedding  
sometimes can't  
they reveal the n  
guards that will b  
what firm they're  
[Full Op-Ed »](#)

**Broad**  
**by la**  
(Village Vo  
11-1

"Word got aroun  
I was a good Ara  
did a great Sadd  
the Harvard grad  
someone phoned  
wanted to help cl  
Iraq policy." So t  
\$3000 a month...  
[Full Op-Ed »](#)

**Is the U:**  
**Democ**  
**Mic**  
**by la**  
(Housto  
Novemb

Those in favor of  
argue that a regir  
the first step in b  
the Middle East.  
the recent nation  
recent elections i  
Turkey and Pakis  
democracy, albei  
increments, has  
arriving in that re

Islamic South Asi  
[Full Op-Ed »](#)

**Forked-Toi**  
**by la**  
(Village Voic

2

Wedge between  
Cheetos and a di  
stood a life-sized  
a buxom blond in  
Resting on her in  
frosty bottle of M  
"That's essentiall  
army major rema  
stiletto-heeled ey  
don't sell beer."  
[Full Op-Ed »](#)

66 years old, started his ministerial career in 1984 as Minister of Administrative Development, three years after Mubarak succeeded the assassinated Anwar Sadat, and later supervised the gigantic task of dismantling the public sector.

International Monetary Fund/World Bank experts have voiced concerns over the slow pace of the Egyptian privatization plans. Accelerating the timetable for selling state-owned enterprises will pose a huge challenge to Ebeid, considering that their debt totaled \$25 billion. However, the two institutions, which finance and supervise many programs in Egypt, are quite satisfied with the macro-economic indicators of the Egyptian economy (5.5% GDP growth rate in 1997 and 5.7% in 1998, lowered inflation and budget deficit and a staggering \$18 billion in foreign reserves). For greater Egyptian integration in the global market economy, these institutions and a large sector of the local business elite are pushing for expanded structural reforms, including new labor and trade laws which will facilitate retrenchments, lower tariff and non-tariff trade barriers.

Meanwhile, development indicators paint a bleaker picture. According to the World Bank, about 11.3% of working age Egyptians are unemployed, 51% of the population lives on less than \$2 a day and 7.6% on less than \$1. The income distribution is quite skewed; the top 20% of the population receives over 40% of the national income, and the lowest 20% gets only 8.7%. The government spent less on education in the 1990s (4.8% of GNP in 1996 compared to 5.7% in 1980), while the population increased by 20 million at same period. Only 80% had access to safe water in 1995 compared to 90% in 1982.

The Egyptian Organization for Human Rights (EOHR) urged Mubarak to review his privatization policies, which "helped impoverish people." Antithetically, Abdel Monem Soudeh, chairman of the Egyptian Industrialists Association, welcomed Ebeid's appointment as a sign that the government is adopting new policies to attract more foreign investments.

Ebeid's main objectives, announced upon presenting his new cabinet, are to consolidate stability in financial and commodity markets, attract more investments and improve state delivered services in the fields of health and education, which have dramatically deteriorated in the last few years. Ironically, the Egyptian constitution still stipulates that Egypt is a socialist Democratic country, one in which the public sector leads the process of economic development.

## STABILITY OR STAGNATION?

**East Timor  
for I  
by Ia  
(Los Ange  
Septe  
2**

This past week it turned its attentions to the Middle East to do a job well done on the globe. There was pride, as delegations from East Timor as the new international body.

[Full Op-Ed »](#)

**Turkey Says  
by Ian Urbin  
(In These Times  
30, 2002)**

These days the role of policy-makers is to be "regime change" firmly installed in the Middle East. Palestinians have ultimatum to replace and now all eyes on Hussein.

[Full Op-Ed »](#)

**Against Israel  
by Desmond  
U**

(International  
Tribune, Jan)

The end of apartheid the crowning achievement of the past century, but it succeeded without international pressure the divestment movement in the 1980s.

[Full Op-Ed »](#)

Mubarak ruled out any meaningful constitutional reform, stating that he was not going to create destabilization gaps in his country. He told Al-Musawar weekly last month that any change should be reasonable "to maintain stability." Mubarak associates long overdue political reforms with instability, a view that ultimately fosters stagnation. A clear sign of stagnation is the average age of ministers, most of whom were born in the early 1930s. Some of the 11 sacked ministers held their positions for a record length of time. Despite persistent criticism, Soleiman Metwally, Minister of Transport, and Maher Abaza Minister of Electricity, held those posts for 21 and 20 years respectively.

Ironically, an editorial in the state-owned Al-Gomhouria newspaper regretted that Ebeid had difficulties finding ministers for his cabinet because competent politicians are in "short supply." It also asserted that Egypt lacks a good database of capable public servants. The dearth of such servants then is not attributed to the lack of political channels and institutions, but to the absence of a "database." Ebeid announced that one of his priorities is to prepare a second and a third line of officials "who would be able to lead later on." The criteria, he added, are academic qualifications, knowledge of foreign languages, a good grasp of foreign affairs, and ambition!

There is no evidence that any of the fired ministers lacked these characteristics. Outgoing Prime Minister Kamal Al-Ganzouri reportedly lost his position due to political infighting within the cabinet and strong criticism from the increasingly influential business elite, who were annoyed by his ambivalent attitude towards privatization.

## **THE MIRAGE OF MULTI-PARTY DEMOCRACY**

In addition to the military establishment and the business elite, other legal political forces in Egypt are largely formal and devoid of any influence. Even the so-called majority party, the National Democratic Party (NDP), does not really represent any discernible socio-economic group in Egypt. Most of the new ministers are technocrats who hold no partisan background. The majority of ministers in 10 cabinets formed by Mubarak since 1981 were not initially NDP members. They joined later. The ministers of defense and interior are traditionally non-politicians; the first comes from the army and the second from the police force. Economists usually take the economics and trade portfolios; a physician, the Ministry of health; a former judge, the Ministry of justice; and a woman is usually given the portfolio of social affairs.

The fact that almost all of the new ministers are technocrats

reveal the Egyptian political system's structural weakness 22 years after the country returned to multi-party democracy. State repression and the banning of popular political forces engendered a parliament in which the state party, the NDP, controls 94% of the seats leaving only 14 to five weak opposition parties. The outlawed Islamist opposition, represented by the violent Al-Gamaa Al-Islamiya and the Jihad groups, or non-violent groups like the Muslim Brothers, still seem to be the only political forces with an organized membership and popular roots.

Soon after starting his fourth term as president, Mubarak decided to clamp down on the Muslim Brothers. Former MP Mokhtar Nouh and 15 other leading members of the group were arrested while meeting in a Cairo suburb to plan a new drive in the coming election for the boards of professional unions. They were indicted for "conspiring to penetrate professional unions and to promote the ideas of an outlawed organization, the possession of adversary publications and inciting hatred and contempt of the regime." Mubarak went even further, ordering that the case be referred to one of the unconstitutional military courts (November 1), with Prime Minister Ebeid adding that "fighting fundamentalists" is one of his top priorities.

By imposing judicial supervision over the two main professional unions in Egypt in 1996 - the Engineers' Syndicate and the Bar Association - the state dealt a severe blow to the Muslim Brothers, who controlled the boards of many important professional unions. Since then the government refuses to organize elections in unions, where Brothers-dominated boards finished their terms in office, such as the unions of teachers, doctors, pharmacists, and scientists. Some analysts think that the state will be wary of opening up Egyptian political life until it effectively erodes the power base of the Muslim Brothers, who are considered the only viable popular opposition force, as evidenced by their sweeping success in professional unions' elections in the mid 1990s.

## CONCLUSION

At this critical juncture in which the dynamics of the peace process, the strategic role of Egypt and the vagaries of the economic transition all intersect, issues of democratization, human rights and more equitable sharing of resources should not be sacrificed for the sake of securing a "quiet" economic transition, or maintaining the myth of stability. Egypt is well on its way to being doubly repressive, politically and economically.

\*See especially Timothy Mitchell, "Dreamland: The Neoliberalism of your Desire," in Middle East Report 210,

Spring 1999 ("Reform Or Reaction? Dilemmas of Economic Development in the Middle East"), which offers thorough coverage of the subject

**RECEIVE MIDDLE EAST REPORT  
ONLINE FREE**

To join the MERO list (at no cost) via email, please use the following form. MERIP respects your privacy and will not sell or exchange your information.

Enter email:

Enter name:



Join MERO




Unjoin MERO

Submit

Reset

[Home](#) | [Contact/Intern](#) | [Background Info](#) | [Middle East Report](#) | [MER Online](#) | [Newspaper Op-Eds](#) | [Giving](#)

Copyright © MERIP. All rights reserved.  **1966200** visitors since March 1, 2000. [FastCounter](#) by [LinkExchange](#)